

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6372

BILL NUMBER: HB 1035

NOTE PREPARED: Nov 25, 2003

BILL AMENDED:

SUBJECT: Regulation of Child Support Collection Companies.

FIRST AUTHOR: Rep. Summers

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a private child support collector: (1) may not charge an obligee a fee that exceeds 25% of the support collected; (2) must set forth all fees and costs in a written contract; and (3) must allow an obligee to review and approve a proposed payment plan with an obligor.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues: A private child support collector who violates the provisions set forth in this bill commits a Class A infraction.

Penalty Provision: The maximum judgment for a Class A infraction is \$10,000, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Sarah Brooks, 317-232-9559.